27 May 1960

MEMORANDUM FOR THE DIRECTOR

SUBJECT: SNIE 42.1-40: THE POLITICAL OUTLOOK FOR THE

- 1. This estimate was scheduled as part of the regular estimates program as approved by the USIE on 5 April 1960 (USIE-D-14, 1/7). It was originally scheduled for completion in July 1960 but was moved forward in order to provide an assessment of the short-term political prospects for the ROS in the immediate post-Rhee period in anticipation of Fresident Elsenhower's visit to Seoul in June.
- 2. Subsequent to consideration of the estimate by the USIB representatives, the Army representative requested that the last sentence of paragraph 17 be amended and a new final seatence be added. We accept the addition but we believe the underlined portion, which Army would delete, should be retained.

This (referring to 'public pressure for dismissal or prosecution of officials who served under Rhoe' in previous sentence) could also affect the BOK Army if many officers who were involved in the discredited practices of the old regime resign or are forced out. However, an intensive

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effort is being made by the caretaker government to relieve pressure on the ROK Army in order to forestall the resignation of a significant number of senior officers whose loss would temporarily weaken its stability and combat effectiveness.

3. As we understand it, Army's objection to the underlined portion above is not based on intelligence grounds but on policy considerations. We believe that, from an intelligence standpoint, the phrase in question is both true and pertinent to the estimate regarding a continuing problem that will face the caretaker ROK government and its successor.

FOR THE BOARD OF NATIONAL ESTIMATES:

ABBOT SMITH Acting Chairman

